

House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore (Mr. HOBSON). Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. HASTERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### CALIFORNIA RACIST MAILER

(Ms. McKINNEY asked and was given permission to address the House for 1 minute.)

Ms. McKINNEY. Mr. Speaker, once again the Republicans are showing their true colors. In this recent mailer, the California Republican Party urged citizens to vote Republican by using a photograph of four Latino lawmakers in order to scare white voters.

Mike Madrid, director of the California Republican Party, said that the mailer was targeted at liberals, not Latinos. If this is true, then why did not Mr. Madrid picture any one of several white liberals currently serving in the State legislature? First LORETTA SANCHEZ and now this. How many times will the Republicans use racist tactics to divide America?

Mr. Madrid asserted that the mailer is not racist because he designed it and he is Latino. Well, if that is the case, then I have a suggestion. Rather than Director Mike, perhaps he should be known as Uncle Tom.

Mr. Speaker, I include the mailer for the RECORD:

Liberal Democrats in the Assembly have an agenda for California:

- Higher taxes to pay for more social programs.<sup>1</sup>
- Welfare without work requirements for able-bodied adults.<sup>1</sup>
- Weakening our 3-Strikes Law.<sup>1</sup>
- Legalizing same-sex marriages.<sup>1</sup>

<sup>1</sup> Actual bills introduced or positions taken by Assembly Democrats during the 1997-98 legislative session.

Assembly Democrats are celebrating because they think Republicans won't vote in the upcoming election. And if you don't vote, they win. That spells disaster for California. You can foil the liberal's plans by applying to vote by mail. Every citizen has the right to vote-by-mail. Just sign your name and return your application today. Your postage has already been paid.

Here is your Republican Vote-By-Mail Application.

Please check the information and sign and date in the colored boxes.

Thank you.

#### SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of Jan-

uary 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. HULSHOF) is recognized for 5 minutes.

(Mr. HULSHOF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### IMF REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ARMEY) is recognized for 5 minutes.

Mr. ARMEY. Mr. Speaker, today the President called for a further expansion of the International Monetary Fund. He repeated the audacious request that Congress provide \$18 billion to the IMF with no conditions and without first requiring IMF reform.

It is time for some presidential accountability, Mr. Speaker, in this area as well as others. We need to recognize that it was the Clinton administration's own policies that accelerated the financial collapse overseas that is threatening the United States' economy today.

For Congress to simply endorse those policies through the full funding of an unreformed IMF would be recklessly irresponsible. If the President will not, or, as yet another consequence of his diminished leadership, cannot bring about real changes in international financial institutions, then Congress must supply leadership in his place.

The IMF proposal actually illuminates a major policy departure that has developed largely unnoticed by Congress, the press and the public. Unnoticed, that is, until it was too late. I call it the Clinton Doctrine. It is a policy under which virtually any groupings of bankruptcies anywhere in the world is eligible for a bailout by American taxpayers.

This has inflamed what economists call "moral hazard". By covering bad investments, the administration has encouraged irresponsible behavior. The financial disasters overseas are in large part a direct consequence of this "moral hazard".

To make matters worse, once the financial collapses occurred, the IMF, presumably with the President's blessing, imposed catastrophic contractionary policies on the affected countries. Even Keynesians, Mr. Speaker, know not to raise taxes in a recession, and yet that is exactly what the Clinton-guided IMF often proposed. As Larry Lindsey put it, these policies

have become our own era's equivalent of the Smoot-Hawley tariff.

In fairness to the President, he did not initiate this policy of global bailout which we have been drifting towards for some time. His role has been to sanction it, legitimize it, and to take it to new and unprecedented levels. Beginning with the 1995 bailout of Mexico, continuing with the multiple bailouts of Asia, and reaching its inevitable culmination in the farcical bailout of Russia this summer, the administration has undermined market discipline and helped to create the very crisis it was ostensibly trying to prevent.

The IMF, under the direction of the Clinton administration, helped cause the problem. Then the IMF made it worse. Now it is making it more difficult for the world to recover. The IMF, Mr. Speaker, has the Midas touch in reverse. Virtually every country it has tried to help has become worse from the experience.

In Korea today, children made homeless by the continuing recession are bitterly referred to as "IMF Orphans". Our friends in Korea know, as many in the Clinton administration do not, that the IMF is largely responsible for their continuing economic difficulties.

Congress must reverse this Clinton Doctrine that has helped bring the world economy to its current state. A positive step would be to restrain the IMF by deferring a decision on providing the huge \$14.5 billion quota increase. This is essentially the House position contained in the foreign operations bill.

Delaying a decision on the IMF money would allow us time to hold an international conference and other meetings to improve the world financial system. The disasters we see overseas are clear evidence that the current arrangements have failed. Rather than pump more money into them, we need to redesign them. We need nothing less than a new Bretton Woods conference. Only then can we make an informed decision on giving away \$14.5 billion of our taxpayers' money for those purposes.

Now many, including many in this House, say that we should give the IMF money up front in exchange for "real IMF reforms". What they do not understand is that the administration and the IMF are adamantly against any U.S.-imposed reform. As the French director of the IMF arrogantly put it last week, "The U.S. must bring its contribution and no country is entitled to impose conditions." That from the head of an agency that imposes conditions on each and every country to which it brings its money, and all too many times, as I have cited, conditions that do harm rather than good.

The most the administration and other IMF supporters will accept are weak suggestions from us. The reform provisions in pending IMF bills, for instance, are a little more than sense-of-Congress resolutions.